General Assembly

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Sixty-third session
Agenda item 53 (*a*)

Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/63/418/Add.1)*]

63/229. Role of microcredit and microfinance in the eradication of poverty

The General Assembly,

Recalling its resolutions 52/193 and 52/194 of 18 December 1997, 53/197 of 15 December 1998, 58/221 of 23 December 2003, 59/246 of 22 December 2004 and 61/214 of 20 December 2006,

Recognizing the need for access to financial services, in particular for the poor, including access to microfinance and microcredit,

Recognizing also that microfinance, in particular microcredit programmes, has succeeded in generating productive self-employment and proved to be an effective tool in overcoming poverty and reducing the vulnerability of poor people to crisis and has led to their growing participation, in particular the participation of women, in the mainstream socio-economic and political processes of society, and bearing in mind that microfinance, in particular microcredit, has especially benefited women and has resulted in the achievement of their empowerment,

Recognizing further that the majority of the world's poor still do not have access to financial services and that microcredit and microfinance are the subject of significant demand worldwide,

Bearing in mind the importance of providing access to microfinance instruments and services, such as credit, savings, insurance, money transfers and other financial products and services, for poor people,

Recognizing that inclusive financial sectors can offer appropriate financial services and products to poor people,

Noting with appreciation the efforts of the United Nations Advisers Group on Inclusive Financial Sectors to promote the building of inclusive financial sectors to meet the needs and demands of poor people, and noting also the recommendations containing key messages to build inclusive financial sectors put forward in June 2008,

Noting events organized for the promotion of inclusive financial sectors, including the convening of the Global Microcredit Summit in Halifax, Canada, from 12 to 15 November 2006,

Welcoming the efforts made in the field of property rights, and noting that an enabling environment at all levels, including transparent regulatory systems and competitive markets, fosters the mobilization of resources and access to finance for people living in poverty,

Noting with appreciation the contribution of awards and prizes to increasing the visibility and awareness of the role of microfinance, including microcredit, in the eradication of poverty, most notably the awarding of the 2006 Nobel Peace Prize,

1. *Takes note* of the report of the Secretary-General;[1]

2. *Welcomes* the successful observance of the International Year of Microcredit, 2005, which constituted a special occasion to raise awareness and share best practices and lessons learned on microcredit and microfinance;

3. *Recognizes* that access to microfinance and microcredit can contribute to the achievement of the goals and targets of major United Nations conferences and summits in the economic and social fields, including those contained in the United Nations Millennium Declaration,[2] in particular the goals relating to poverty eradication, gender equality and the empowerment of women;

4. *Underlines* the need for greater access to microfinance, including microcredit, in developing countries, in particular for small farmers, which can contribute to increased agricultural productivity and rural development;

5. *Also underlines* the importance of strengthening domestic financial sectors as a source of capital by making them inclusive, thus expanding access to financial services;

6. *Recognizes* that microfinance has experienced tremendous growth in the number of people served and the diversity of financial services offered, and that, along with the growth in numbers served as well as products and services offered, there has also been a large increase in the number of public and private microfinance providers, all of which share the common characteristic of providing financial services to poor and socio-economically vulnerable people, as well as micro-entrepreneurs who would not normally be served, or are underserved, by traditional financial institutions;

7. *Notes* that, despite progress, there is still lack of relevant statistical data on inclusive financial sectors, in particular microcredit and microfinance programmes, in particular at the national and regional levels, and in this regard invites the international community, in particular the donor community, to support developing countries in collecting and preserving necessary statistical data and information on this issue, specifically on defining and measuring access to financial services and products at the country level and measuring the type, quality and usage of such services and products over time;

8. *Calls upon* Member States, the United Nations system and other relevant stakeholders to fully maximize the role of microfinance instruments, including microcredit for poverty eradication and especially for the empowerment of women and rural populations, and to ensure that best practices in the microfinance sector are widely disseminated;

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[1] A/63/159.

[2] See resolution 55/2.

9. *Invites* Member States, the United Nations system, the Bretton Woods institutions, regional development banks and other relevant stakeholders to support, financially and technically, in a coordinated manner, the efforts of developing countries in capacity-building for microcredit and microfinance institutions to expand their products and services, including by improving their policy and regulatory framework;

10. *Invites* Member States to consider adopting policies to facilitate the expansion of microcredit and microfinance institutions in order to service the large unmet demand among poor people for financial services, including the identification and development of mechanisms to promote access to sustainable financial services, the removal of institutional and regulatory obstacles, the promotion of financial literacy and the provision of incentives to microfinance institutions that meet national standards for delivering sound financial services to the poor;

11. *Encourages* Member States to adopt coherent financial regulatory frameworks, including in consultation with microfinance providers, that can effectively protect the stability of their national financial systems and increase access of the poor and microenterprises and small enterprises to financial services, and also to protect consumers, in particular the poor, and in this regard invites the development partners to support the efforts of developing countries in the promotion of entrepreneurship development programmes, including for microenterprises and small and medium-sized enterprises;

12. *Recognizes* that the current financial crisis can adversely impact financial flows to microcredit and microfinance institutions as well as the services that they provide to the poor, and emphasizes that such instruments should be protected, as appropriate, from potential credit deficiency;

13. *Decides* to devote one plenary meeting at its sixty-fifth session to the consideration of the outcome of and follow-up to the International Year of Microcredit, with a view to broadening and deepening the discussion about microcredit and microfinance and inclusive financial sectors;

14. *Requests* the Secretary-General to submit to the General Assembly at its sixty-fifth session a report on the implementation of the present resolution, under the item entitled "Eradication of poverty and other development issues".

72nd plenary meeting
19 December 2008